

UNITED STATES SENATOR • IOWA

# CHUCK GRASSLEY

RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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<http://grassley.senate.gov>  
[press\\_office@grassley.senate.gov](mailto:press_office@grassley.senate.gov)

Contact: Jill Kozeny, 202/224-1308  
Jill Gerber, 202/224-6522

Opening Statement of U.S. Sen. Chuck Grassley, of Iowa  
Ranking Member, Senate Committee on Finance  
Hearing on the “Financial War on Terrorism: Where We Are and Where Are We Going?”

Mr. Chairman, thank you for holding this hearing. As I’ve said before, money laundering is the war industry of terrorism. It is important that we understand what steps are being taken, what resources are being used, and what additional steps may be needed to shut down this industry. Without funds, terrorists could not purchase the guns, explosives, or other weapons they need to conduct their activities.

I am pleased that last night I was able to be joined by the Chairman in introducing legislation to suspend the tax-exempt status of designated terrorist organizations. During the past year we have designated a number of organizations as terrorist organizations. This legislation will ensure that any organization which is designated a terrorist organization is not given the benefit of tax exempt status. I am hopeful that Congress will be able to act on this legislation prior to adjournment.

Today’s testimony will highlight our ongoing efforts to shut down this war industry. We have seen the effectiveness of cooperative efforts. It is important that they continue to work together, as I hope this hearing will highlight. Working together, they have been able to take action against some of the funding sources the September 11<sup>th</sup> terrorists used. This is an important accomplishment which should not be overlooked. But I also hope to hear what steps are being taken to move beyond targeting individual terrorists and terrorist organizations. We need to shut down the funding mechanisms which make terrorism possible, before they can strike again.

I do not want to minimize the important efforts being made to identify and halt the individuals and organizations responsible for September 11. But if there is one thing that history has taught us, it is that there will always be individuals who will choose violence over negotiation. As long as there is hatred, intolerance of differences, and fear of opposing views, there will be people who choose to use terror to accomplish their goals. To be effective, terrorists will always need financing. We cannot allow them to have easy access to our financial system to fund their evil deeds.

Each of the Departments testifying today bring a unique skill-set to the table. Through the actions of Operation Green Quest and the Terrorist Financing Review Group we have arrested over 230 individuals and frozen over \$112 million in terrorist funds. In some respects, the level of cooperation demonstrated by the effectiveness of these task forces is unprecedented. But at the same time, there are signs of the bureaucratic infighting, one-upmanship, and duplication of efforts that too often have plagued law enforcement in the past still exist. The fact that we have two task forces with predominantly the same mission, working the same types of cases, and asking for the same

kinds of information, from identical sources, is an unfortunate demonstration of this old school of thought. I hope the witnesses will address the level and nature of the coordination of our efforts.

Internationally, we have also had success. International cooperation and coordination of efforts has been an important component of our successes in pursuing terrorist financing. And while a vast majority of countries have cooperated with us, there are still those who have not come to the table. As the President stated, "You are either with us, or against us." I think the time has arrived when we should start talking about the handful of countries who have decided, for whatever reason, not to cooperate with the either United States or the United Nations. Cooperation should be the norm, not the exception. We should talk about the exceptions.